

By: Ellis

S.B. No. 91

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a restriction on charges charged for certain extensions
3 of consumer credit that a credit access business obtains for a
4 consumer or assists a consumer in obtaining.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter D, Chapter 393, Finance Code, is
7 amended by adding Section 393.308 to read as follows:

8 Sec. 393.308. RESTRICTION ON INTEREST CHARGED IN CONNECTION
9 WITH CERTAIN EXTENSIONS OF CONSUMER CREDIT FACILITATED BY CREDIT
10 ACCESS BUSINESS. (a) In this section, "credit access business" has
11 the meaning assigned by Section 393.601.

12 (b) For purposes of this section, the annual percentage rate
13 of an extension of consumer credit is calculated including the
14 total charges charged to the consumer in connection with the
15 extension of consumer credit, including interest, lender charges,
16 and any fees or any other valuable consideration received by the
17 credit access business.

18 (c) The annual percentage rate of an extension of consumer
19 credit in the form of a deferred presentment transaction or motor
20 vehicle title loan that a credit access business obtains for a
21 consumer or assists a consumer in obtaining may not exceed 36
22 percent.

23 SECTION 2. Section 393.602(b), Finance Code, is amended to
24 read as follows:

1 (b) Subject to Section 393.308, a [A] credit access business
2 may assess fees for its services as agreed to between the parties.
3 A credit access business fee may be calculated daily, biweekly,
4 monthly, or on another periodic basis. A credit access business is
5 permitted to charge amounts allowed by other laws, as applicable. A
6 fee may not be charged unless it is disclosed.

7 SECTION 3. The changes in law made by this Act to Chapter
8 393, Finance Code, apply only to an extension of consumer credit
9 made on or after the effective date of this Act. An extension of
10 consumer credit made before the effective date of this Act is
11 governed by the law in effect on the date the extension of consumer
12 credit was made, and the former law is continued in effect for that
13 purpose.

14 SECTION 4. This Act takes effect September 1, 2015.